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RURAL INFRASTRUCTURE DEVELOPMENT FUND: NEED FOR A TRACK CHANGE

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RURAL INFRASTRUCTURE DEVELOPMENT FUND: NEED FOR A TRACK CHANGE

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Abstract

In order to ensure smooth flow of funds for the development of infrastructure in rural India, Rural Infrastructure Development Fund (RIDF) was introduced in the budget of 1995-1996.The RBI governs this fund through NABARD with corpus from the commercial banks. This paper is an attempt to critically examine some of the issues that arise in the context of utilisation of the fund by different states of India. The study finds that many projects remain incomplete even after receiving funds under RIDF and certain measures are necessary to ensure proper utilisation of funds as well as to reduce intra-rural disparity in India.

Introduction

Most developing countries are predominantly rural in nature and with globalisation, the rural-urban gap is increasing in a number of countries (Vos, Taylor and Barros, 2002). However, not enough attention has been paid to rural infrastructure development. Given the crucial linkages of infrastructure with economic growth, poverty alleviation and human development, emphasis on rural infrastructure is the need of the hour.

In India, while the importance of rural infrastructure has been well recognised, adequate measures to improve the same are not forthcoming. Amongst many other constraints, the poor financial health of the states is the major cause for the state of affairs we observe today. Not only rural infrastructure development projects are inadequate in number, many projects sanctioned and many that were even started remain incomplete due to various reasons. Noting these problems, in the Union Budget Speech of 1995-96, the Union Finance Minister announced that "Inadequacy of public investment in agriculture is today a matter of general concern. This is an area, which is the responsibility of States. But many States have neglected investment in infrastructure for agriculture.

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There are many rural infrastructure projects that have been started but are lying incomplete for want of resources. They represent a major loss of potential income and employment to rural population."

In an attempt to provide the necessary resources for rural infrastructure development, the possibility of creating a fund for this purpose was conceived at that time. With this in mind, during that period a corpus was created by the Reserve Bank of India in NABARD with contributions from commercial banks. This fund, known as the Rural Infrastructure Development Fund (RIDF), was initially developed to provide resources for projects that remained unfinished due to want of resources, but later extended to new projects as well. RIDF-I was launched in 1995–96 with an initial corpus of Rs 2,000 crores through contributions both from public and private sector banks. The provision of this fund has indeed helped many states to develop rural infrastructure (Government of Andhra Pradesh, 2000). Except for a brief period of break, this funding provision has been continuing till today. After more than 10 years of its inception, it is useful to scrutinise the status of the RIDF, its coverage and the extent to which it has helped the states in rural infrastructure development.

In this background, the present paper looks at the various aspects of the RIDF and present a critical analysis of the utilisation of funds.

Salient features of the RIDF

RIDF-I was launched in 1995-96 with an initial corpus of Rs 2000 crores through contributions both from public and private sector banks. It is noteworthy in this context that previously both public and private banks often failed to meet priority sector norms for lending (see RBI reports). After enlargement of the scope of the priority sector to a great extent, though banks have currently been meeting the overall norms of priority sector lending, they still fail to meet the target for agricultural lending. Given this background, contributions to NABARD by the banks under the provision of the RIDF is considered agricultural lending by the banks. Later, since 1996-97 i.e., from the start of RIDF-II, deposits from commercial banks in the RIDF have been made broad-based by including shortfalls either in direct finance to agriculture and/or shortfalls in priority sector lending. The scheme has been continued thereafter and currently RIDF-XIII is in operation. The tranche-wise[2] size of the corpus shows positive growth all through, depicting steady growth of funds under the RIDF; though as expected, in real terms, growth rates are not as striking as that of their nominal counterparts (Table 1).

Table 1: Tranche-wise size of corpus, RIDF (in Rs. Crores)

RIDF tranche/ year	Corpus in nominal terms	Percentage increment of the nominal corpus	Corpus in real terms*	Percent increment in real corpus
RIDF I 1995-96	2000	1676.30		
RIDF II 1996-97	2500	25	1950.24	16
RIDF III 1997-98	2500	00	1828.21	-6
RIDF IV 1998-99	3000	20	2032.53	11
RIDF V 1999-2000	3500	17	2281.30	12
RIDF VI 2000-01	4500	29	2834.30	24
RIDF VII 2001-02	5000	11	3045.79	7
RIDF VIII 2002-03	5500	10	3215.68	6
RIDF IX 2003-04	5500	00	3122.49	-3
RIDF X 2004-05	8000	45	4322.70	38
RIDF XI 2005-06	8000	0	4102.03	-5
RIDF XII 2006-07	10000	25	4869.41	19
RIDE XIII 2007-08	12000	20	5584.68	15

* Deflated using GDP deflator

Source: Compiled using NABARD data

[2] A terminology used by NABARD. Here it essentially means year-wise.

In fact, in two of the tranches' viz., III and IX, growth rates are indeed found to be negative.

Once the total RIDF fund for a year is decided by the Central Government, states are requested to submit project proposals. State governments in turn request the relevant departments to come up with proposals. The cabinet sub-committees of the respective states later scrutinise these proposals and, considering among other things the financial strength of the government, fix project limits for each department. The departments in turn revise their proposals, which are then sent to the regional offices (RO) of NABARD. The RBI Deputy Governor and a nominee from the RBI are members, amongst others, in the project sanction committee, which meets about 7/8 times in a year (NABARD Annual Report).

Though to begin with, only state governments could borrow under this fund, since 1999 the set of borrowing institutions has been enlarged. In particular, it has been decided to extend loans to Panchayat Raj Institutions (PRIs), Non-Governmental Organisations, Self-Help Groups etc. w.e.f. 1 April 1999. This is done possibly under the assumption that local governments would know the local needs better and, being stakeholders, would implement the projects more efficiently. The respective state governments, however, remain the guarantors of such loans. The repayment period for the loans under RIDF was of five years that included a two-year grace period; this was provided under RIDF-I to RIDF-V. The repayment period has, however, been extended later to seven years, including a grace period of two years, from RIDF-VI onwards.

Once a particular project is cleared, loans are released on instalments, usually on a reimbursement basis by the Regional Offices of NABARD. However, in order to facilitate the states to carry out the projects smoothly, the provision of releasing advances was introduced from RIDF-X onwards. The Finance Department of each state is nominated by state governments to act as the nodal department to operationalise the RIDF. All project proposals are therefore routed only through the Finance Department.

As far as lending institutions are concerned, all scheduled commercial banks and regional rural banks are the main lenders. These banks keep their shortfalls in priority sector lending with NABARD for this purpose, from which NABARD in turn refinances these projects.

The funds thus supplied by the banks and demanded by the state governments can be used for designated purposes only. In the beginning, only ongoing irrigation, flood protection, and watershed management projects were financed under RIDF-I as a '*last mile approach*' to facilitate completion of projects delayed on account of financial constraints. The financing of rural road and bridge projects was started during RIDF-II. Subsequently, coverage of RIDF was enhanced in each tranche and at present, a wide range of activities such as primary schools, primary health centres, village haats, joint forest management, terminal and rural markets, rain water harvesting, fish jetties, minihydel and system improvement projects in the power sector, rural drinking water supply schemes, citizen information centres, *anganwadi* centres and *shishu shiksha kendras* are also being brought under the RIDF. Though over time a large number of areas have been incorporated under RIDF, roads and bridges remained the major infrastructures funded under the RIDF (A table containing the details presented in the Appendix).

While allocating funds to the states even for the designated purposes, certain norms are usually followed. Currently, the allocation norms provide weightage to rural population and no proposal is accepted directly from any other department of a state government. Documentation and release of loans etc. are executed only by the Finance Department.

Rate of interest on RIDF loans

Loans under RIDF-I were advanced to state governments at an interest rate of 13%. The rate of interest on loans under RIDF-II and III was reduced to 12%. The rate of interest under tranches IV to VII was further brought down to 7% w.e.f. 1st November 2003 and thereafter the rate of interests under RIDF VIII and IX are linked to the bank rate, which at present is about 6%. To begin with, the following procedure was adopted to generate funds. Banks kept their deficiency to priority sector lending with NABARD and the latter in turn channelised these resources to the state governments through the RIDF. NABARD pays interest to the banks for their deposits, which in turn it recovers from the state governments. However, it so happened that NABARD was unable to deploy the funds as the state governments were unable create sufficient demand for the funds available[3] . Since the suppliers found the loan riskfree and the supply was more than the demand, a disequlibrium prevailed, which NABARD did not rejoice as it had to pay interest to the banks.

Under such circumstances, with a view to encouraging commercial banks to enhance the flow of direct credit to agriculture, it was decided by the RBI to link interest on bank contribution to the RIDF, from Tranche-VII, to the extent of the shortfall of their agriculture lending vis-à-vis the targets. The inversely proportional rates of interest paid to commercial banks are as in Table 2.

Table 2: Interest rate structure of RIDF

Shortfall in lending to agriculture as percentage to net bank credit	**Current rates (%) for RIDF VIII & IX from 01-11-2003 and for X, XI and XII**
Less than 2% points	6 (prevailing Bank Rate (BR))
2 % to 4.99% points	5 (prevailing BR minus 1%)
5% to 8.99% points	4 (prevailing BR minus 2%)
Above 9% points	3 (prevailing BR minus 3%)

Source: NABARD

As per the guidelines of RBI/GOI, NABARD retains a margin of 0.5% for administering RIDF. The differential interest, however, is credited to the Watershed Development Fund maintained by NABARD. This new interest rate structure is devised such that banks try to deploy credit directly to the priority sector as far as possible. If it tries to depend on the risk-free NABARD scheme excessively, the above structure imposes a punishment.

[3] As revealed during discussions with RBI officials.

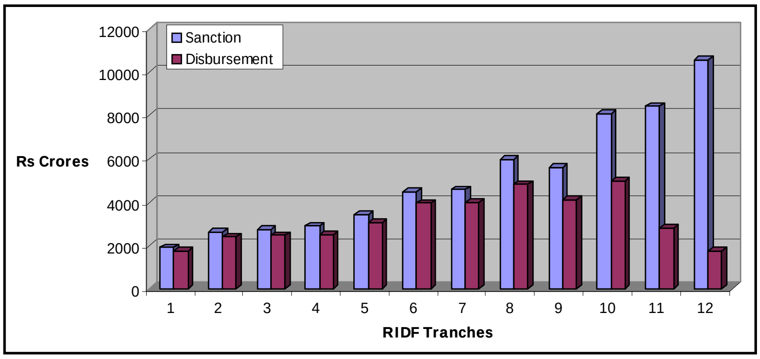
Given these set of norms formulated by the RBI, it is of interest to examine the actual utilisation of the funds. Amongst other criteria, actual sanction of funds depends on the demand for loans under the RIDF scheme placed by a state. Though there has been some increment in sanction of funds after the first tranche, sanction figures remained more or less stagnant thereafter for the following three years.

Utilisation of funds

Sanctions and disbursements

A closer observation of the sanction of loans reveals that from the year 1999-2000, we observe a steady increase followed by a fall in 2003-04 and a sharp increase during the year 2004-05 (see Fig. 1). Since contributions to the 'fund' are considered priority sector lending for banks, which also provides them with risk-free returns, supply of funds does not appear to pose any constraint. Rather, it is possibly the demand for funds that falls short in the market.

Fig 1: Sanctions and disbursements of the RIDF over the years (Nominal)

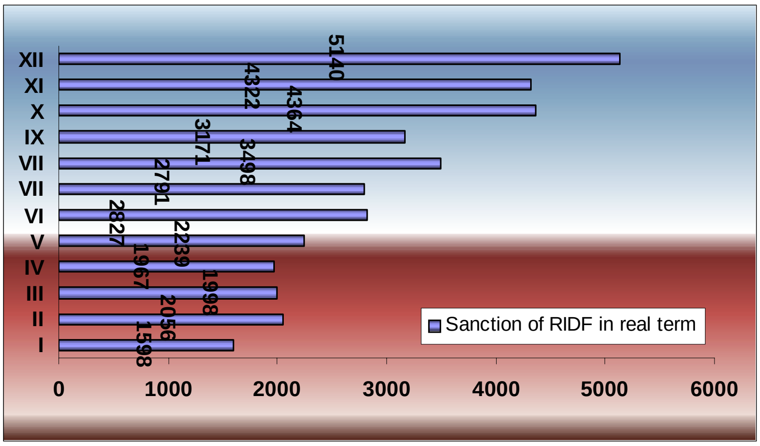


Source: Compiled using NABARD data

In fact, conversion of nominal sanction figures (Fig 1) to real terms[4] (Fig 2) clearly shows negative growth rates over a number of years.

[4] Deflated by GDP deflator.

Fig 2: Sanction of the RIDF (in real terms)



Source: Compiled using NABARD data

Disbursement of funds sanctioned to a project under the RIDF is not automatic and paid all at once. Payment by NABARD depends crucially on the progress of the project and utilisation of funds. In fact, as mentioned above, states need to first incur expenditure and then get it reimbursed under the RIDF. Statistics involving disbursement show that funds sanctioned even 10 years earlier have not been fully disbursed yet (see Tables in the Appendix). This further indicates that states may have problems in making funds available for rural infrastructure. This becomes even more clear when we look at the status of projects.

Status of RIDF projects

Norms of loans under RIDF as delineated above show that the normal phasing was two years for RIDF-I, which was extended later to three years for subsequent tranches. However, due to operational constraints, phasing has to be normally extended for the tranche as a whole or for specific projects to enable state governments to complete the projects.

If we now examine the status of the projects (Table 3), it is observed that even after 10 years, some projects have remained incomplete. About 6,000 projects taken up from RIDF I to V have remained incomplete till date. One may recall in this context that the main idea behind introduction of the RIDF is to enable the state governments to complete hitherto incomplete projects that remained so due to lack of funds. However, if projects taken up under the RIDF itself remain incomplete, it may be due to a state's inability to borrow funds under the given terms and conditions. Then the whole purpose of introduction of such a scheme becomes meaningless.

Table 3: Number of incomplete projects

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
No of sanctioned projects	4168	8193	14345	6171	12106	43169	24598	20964	19590	17397	30312	42316	243329
No of completed project (as on 31/03/2007)	4132	7748	14115	5854	11765	41719	16814	11799	15590	4925	1018	2	135481
No of incomplete projects	36	445	230	317	341	1450	7784	9165	4000	12472	29294	42314	107848

Source: NABARD

Purpose-wise sanction of loans

We may recall that RIDF-I was devoted entirely to irrigation projects and thereafter, roads and bridges were taken up for funding; since then, across states there has been higher emphasis on the use of funds for road development rather than for irrigation. Over time it has been observed that about 37% of the funds go for road development and 34% for irrigation (Table 4). In subsequent tranches, several other infrastructure facilities have been made eligible for funding under the RIDF. RIDF-X further enlarged this list and introduced a whole host of services to be funded under the RIDF.

Table 4: Share of different sectors in total loans under the RIDF

Sector	Amount (Rs. crores)	% of total
Roads	10898.27	37
Irrigation	10105.84	34.3
Bridges	3656.57	12.4
Watershed	508.61	1.7
Power sector	1053.34	3.6
Rural drinking water	1147.89	3.9
Others	2104.78	7.1
Total	29475.3	100

Source: Compiled using NABARD data

Sanction of funds to local level institutions

It was decided in 1999 that the RIDF can be given to local-level institutions like the Panchayat Raj Institution (PRI) or prominent self-Help Groups (SHG) of the locality. The respective state government remains the guarantor of the loan taken. One of the main objectives of making funds available to local level institutions is to ensure efficient utilisation of funds. Since local governments themselves are stakeholders, one may expect funds to be employed according to local needs. During the first year, one observes as high as 17% of funds diverted to local-level institutions. However, over time this share shows considerable decline, even in absolute levels (Table 5). From about Rs. 500 crores in 2001-02, funds diverted to PRIs declined to about Rs. 50 crores in the next two years.

Table 5: Sanction of funds to local-level institutions

RIDF	Sanction in Rs crores	Out of that for PRIs/SHGs/NGOs	Percentage Share of PRIs/SHGs/NGOs
I	1906.21		
II	2636.08		
III	2732.69		
IV	2902.55		
V	3434.52	581.09	17%
VI	4489.11	728.73	16%
VII	4582.32	555.55	12%
VIII	5983.09	533.01	9%
IX	5585.01	42.83	1%
X	8076.67	53.84	1%
XI	8428.78	23.18	0.2%
XII	10555.24	6.29	0.5%
Total	61312.27	2524.52	4%

Source: Computed using NABARD data

It has been observed by a number of authors that state-level functionaries are often hesitant to hand over financial and functional powers to local governments (Mathur, 2003). In the case of the RIDF also we observe a similar tendency.

Allocation of funds and availability of infrastructure

Strong positive correlation between rural poverty and deficiency of infrastructure is a well-established phenomenon. For example, a recent report from NCAER titled "India Rural Infrastructure Report" shows that with different infrastructure deficiency indices, rural poverty is positively correlated (Table 6).

Table 6: Correlation of rural poverty with different infrastructure deficiency indices

Deprivation indices	Correlation
Roads	0.615
Telecom	0.655
Power	0.925
Overall	0.832

Source: Rural Infrastructure Report, 2006, NCAER

In other words, the higher the deficiency of infrastructure, the higher the poverty rate and vice-versa. Rajaraman (2003) in this context remarks that there are established empirical evidences on the positive growth and poverty eradication outcomes of investment in rural infrastructure, and on higher incremental returns to infrastructure provision in relatively poorly endowed regions. These findings hold good not only in the case of India, but for other developing nations as well (Binswanger *et al*, 1989, Ahmed and Hossain, 1990, Fan *et al*, 2000, Fan and Hazell, 2001). Thus one can argue that poverty rate gives an indication of the extent of the need for infrastructure. Infrastructure like irrigation facilities or rural roads can reduce overall cost of irrigation, and by enhancing connectivity can offer better marketing possibilities. This can check further deterioration in the economic status of the poor. If we accept this argument, we can then examine whether regions with higher levels of rural poverty get better allocation of funds for infrastructure development.

Rural poverty

Rural poverty rates for different states of India show considerable disparities (see Table A.5 in Appendix). As discussed above, if we assume that poverty and lack of good infrastructure are positively related, then we can consider these rates as indirect indicators of the adequacy of rural infrastructure or, conversely, improvement of infrastructure in comparatively poorer regions can help in reduction of rural poverty and income inequality across rural regions. Furthermore, at the time of inception of the RIDF, the remark made by the then Finance Minister indicates that to be able to increase the income of the rural poor was one of the prime motives for introducing the RIDF. In this context, we should expect the poorer regions to receive higher allocations of funds.

It also is essential to ask whether the states with higher poverty rates use more funds for rural development under the RIDF.

Relation between rural poverty rates and flow of funds

We have considered the states in terms of RIDF loans sanctioned per hectare of rural area[5] and rural poverty rates. Out of a total of 28 states, the top 14 are placed in the category 'high' (H) and the bottoms 14 are in the category 'low' (L). Comparison of the poverty rates and flow of funds across states reveals the following (See also Rajeev, 2008):

Table 7: Classification of states with respect to poverty rates and total loan flow per hectare

		Rural poverty rate	
		L	H
Loan / rural area	L	J & K Rajasthan	MP Manipur Meghalaya Mizoram Nagaland Sikkim Tripura Arunachal Pradesh Assam Bihar Jharkhand
	H	Goa, Punjab Himachal pradesh Haryana Kerala AP Gujarat Karnataka Maharastra TN UP WB	Orissa Tripura

Source: Compiled using NABARD data and Jha (2002)

[5] 'Rural population' can also be used as a normalising factor, and has been used by the author (Rajeev, 2006). However, 'rural area' appears to be a more appropriate factor for normalisation given the kind of infrastructure services involved. This has also been done in Rajaraman (2003).

Concentration of states around the off diagonal in Table 7 clearly reveals that the states with lower poverty rates are also those that made higher demands for resources under RIDF. On the contrary, states with higher rural poverty rates are minimal users of the RIDF for rural infrastructure developments.

By calculating the correlation between the total flow of RIDF funds (per rural area) and rural poverty rates, we observe a significant negative correlation equal to – **0.365** (significant at 6% level). In other words, the higher the rates of rural poverty (indicating greater need for infrastructure), the lower the flow of funds. Since the RIDF is a demand-driven scheme, this may be due to the fact that the poorer states have less ability to borrow and thus though there is a need, this desire is not backed by adequate purchasing power hence, requirements have not transformed into demand[6].

After looking at this general indicator and its relation with the total flow of funds, we move on to the sector specific allocations.

Funding for rural roads

Creation of irrigation facilities and construction of rural roads for better connectivity are two major activities taken up through the RIDF. The first RIDF concentrated mainly on providing minor irrigation facilities. Thereafter, rural roads and bridges are incorporated under the purview of the RIDF, which now constitutes the highest share in flow of funds across sectors. However, as expected, flow of funds and hence creation of road potential through the RIDF, is not uniform across regions. By comparison, Tamil Nadu and Karnataka have created maximum road facilities through the RIDF and some of the other similarly placed states are Maharashtra, Kerala, Goa and Punjab (Fig. 3).

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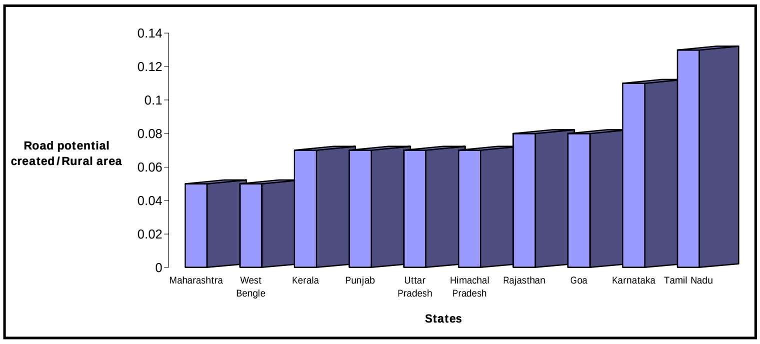
[6] Even if we normalised the loan figures by rural area or rural population, negative relation prevails even though level of significance declines.

Fig 3: Top 10 states in terms of road potential created under RIDF I to X per hectare of rural area



Source: Compiled using NABARD data

If we look at the percentage of villages connected by roads (see Table A.6 in the appendix) as of 1996-97 (beginning of the RIDF) we observe that Goa, Karnataka, Tamil Nadu, Punjab, Haryana, Gujrat and Andhra Pradesh were some of the well-connected states. On the other hand, Madhya Pradesh, Bihar and even West Bengal had less than 50% of the villages connected. As argued above, while the demand for rural roads is difficult to estimate, adequacy of the same may be proxied by the indicators such as percentage of villages yet to be connected by roads. Comparatively speaking, one would expect more funds to flow to the states where even 50% of the villages are not connected by roads. Though the quality/conditions of the roads may not be satisfactory even in the highly-connected states, the situation is expected to be even worse for the poorly-connected ones.

After examining these numbers, the next question that arises is, "Is the inflow of funds greater towards states with relatively inadequate connectivity?" We classify below the states on the basis of percentage of villages yet to be connected by roads. The top 50% of the states are considered well-connected in relative terms. Similarly, road potential created through RIDF loans from I to IX are considered per hectare of rural area for cross-tabulation purposes (Table 8).

Table 8: Classification of states with respect to road potential created per hectare of rural area and rural connectivity (percentage of villages connected by roads, 1996-97)

Rural connectivity

Road potential created/Rural area		L	H
	L	MP Arunachal Pradesh Meghalaya Manipur Bihar Orissa Tripura	J & K Mizoram Haryana
	H	HP Assam WB UP Tamil Nadu Rajasthan	Maharastra Andhra pradesh Nagaland Gujarat Punjab Kerala Karnataka Goa

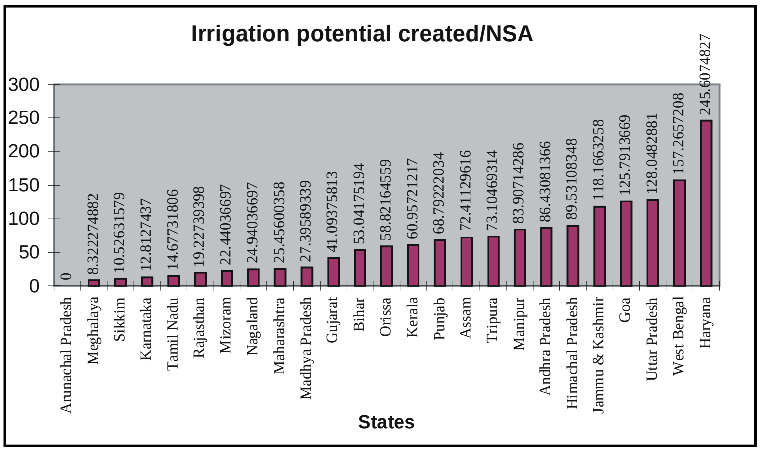
Source: Compiled using NABARD data and CMIE Report, 1997

Calculation of correlation between the inadequacy indices and potential of roads created through RIDF funds shows that correlation has negative sign (-0.234; however, the coefficient is insignificant).

Irrigation facilities

After roads and bridges, another major sector funded by the RIDF is minor irrigation. If we look at the state-wise irrigation potential created through RIDF projects per hectare of net sown area, we observe that Haryana is the major beneficiary, followed by West Bengal and UP (Fig. 4).

Fig 4: Irrigation potential created/NSA through RIDF I to IX



Source: Compiled using NABARD data

Percentage of net irrigated area to NSA provides indicator of adequacy of irrigation facilities in a state[7]. The lower the percentage of irrigated area, the more inadequate is the region in terms of this infrastructure. Taking this indicator into consideration, we have classified the top 50% of the states as those with high adequacy and the bottom 50% as those with low adequacy.

[7] Calculations have also been done using gross cropped area and we arrive at qualitatively similar results.

Table 9: Classification of states with respect to irrigation potential created per hectare of net sown area and percentage of gross area irrigated[8] (average of percentages taken over the period of the RIDF)

Gross area irrigated / GSA

	L	H
L	Arunachal Pradesh Meghalaya Sikkim Karnataka Mizoram Maharastra Madhya Pradesh	Tamil Nadu Rajasthan Gujarat Bihar Nagaland
H	Kerala Assam Tripura Himachal Pradesh Goa	Orissa Punjab Manipur Andhra Pradesh J & K UP WB Haryana

Classification of states again shows concentration around the diagonal (Table 9). Thus states with inadequate infrastructure also have lower allocation of resources and thereby lower levels of creation of infrastructure facility. Computation of correlation also shows significant positive values (0.48). Thus, states with higher proportions of irrigated area also had higher allocations of funds under the RIDF for the same.

From the above analysis, we observe that at best there is no relation between inadequacy of infrastructure facilities and allocation of funds. This is not only true in an aggregate sense but also holds good sector-wise. Therefore, if one is interested in benefiting the poorer sections of the rural economy, more focused allocation of resources to the most

[8] Gross area irrigated figures are averaged over the period of the RIDF and are taken from www.indiastat.com

adversely placed regions is necessary. Only then will such schemes succeed in reducing intra-rural disparity.

One may however, argue that the RIDF is a demand-driven funding facility. A state government with poor infrastructure facility may not come forward to take loans under the RIDF and therefore such disparities may be unavoidable. However, in such cases it is necessary to persuade some such states to use the funding facility for improving the condition of the rural population[9]. More importantly, by analysing data on allocation of funds across districts within the state of Karnataka, we observe exactly similar trends (see Rajeev, 2006). No doubt, when we reflect on the district or lower-level allocations within a state, the question of allocation becomes more appropriate. In other words, if a state has already decided to borrow a particular amount, the issue of how its distribution has been planned across regions and whether it will reduce the inequality becomes critical. As mentioned above, we do not observe such consideration even at district level allocations within a state. Thus, the question of need-based allocation of funds is required to be considered seriously if one wishes to reduce intra-rural disparity.

Policy implications and concluding remarks

The concept of the RIDF has been developed to enable states to obtain funds for rural infrastructure development and simultaneously help commercial banks to meet priority sector lending norms. It is interesting to note, however, that with the current flexible interest rate regime, banks are ready to lend to the states at a lower interest rate than that of NABARD[10]. Thus, a states government has greater incentive to borrow directly from a commercial bank for the same infrastructure development project than going through NABARD. However, for the bank, as the loan is not routed through NABARD, it will not be considered under priority

[9] Our discussions with the RBI officials in Karnataka reveal that such an attempt was made in case of Karnataka.

[10] As revealed during our discussions with government officials.

sector lending. Furthermore, it is important to note that though currently NABARD adopts a price discrimination strategy for interest rate determination, it charges a pre-determined interest rate when it lends to the state governments. The possibility of linking the latter to the interest rate NABARD pays to the banks may prove useful. For example, if NABARD pays lower interest rates to certain commercial banks, whether this benefit can be extended to the borrower states as well may be considered.

Secondly, special attention should be given to reduce the number of incomplete projects under the RIDF. Since loans are disbursed on reimbursement basis, projects often get delayed and cost escalation occurs due to lack of funds. Unless there is further support for meeting the increased cost, projects may remain incomplete. This is one of the major problems with the RIDF, as stated by one of the government officials in Karnataka involved with RIDF projects. Preference is therefore given to improve rural infrastructure through central government schemes like the Prime Minister's Gram Sadak Yojana (PMGSY). There are also administrative delays on the part of the state which lead to price escalation. Unless the problem of completing projects in time is tackled by the borrower and the lender through a combined effort, rural infrastructure development will suffer. NABARD should strictly monitor such delays and a time frame may be put in place.

Utilising some funds through Panchayats that have a mechanism of reviewing public needs using a participatory approach through *gram sabhas* is essential. Currently, their involvement is rather poor. Engaging stakeholders like residents and local self-governments in project formulation and implementation is critical. Only then can the limited resources be utilised in an optimal manner.

While resources from the RIDF have been flowing to all states of India for rural infrastructure development, they do not follow any systematic pattern over time. From the study of growth rates of loans, it appears that loans are taken more on an ad hoc basis rather than on that of a well-prepared planned development program. Further, more funds are allocated to regions that are comparatively better off in terms of various indicators considered, in particular, per capita income, rural poverty or physical infrastructure. In this regard, states with, say, poor road infrastructure may be persuaded to take loans for road development. Local NABARD and RBI offices can play a role here. Our discussions with RBI officials in Karnataka reveal that it took an active role to enhance state government's demand for such funds. Secondly, once a state decides to incur a certain loan amount, it should be allocated in a more need-based manner to reduce regional imbalances. Therefore, it is necessary to prioritise for which purposes loans need to be utilised. A uniform rule should not be applied for all regions across a state. These funds would be successful in reducing intra-rural disparity only if they are directed in a more need-based manner. These aspects need the careful attention of both NABARD and the state governments for getting maximum mileage from such borrowed funds.

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Appendix

Table A.1 State-wise Sanctions and Disbursements under Rural Infrastructure Development Fund (RIDF) in India - Part I (At March-end 2006)

(Amount in Rs. Crore)

State	RIDF I		RIDF II		RIDF III		RIDF IV		RIDF V		RIDF VI	
	Loan Sanct-ioned	Dis-burse-ment	Loan Sanct-ioned	Dis-burse-ment	Loan Sanct-ioned	Dis-burse-ment	Loan Sanct-ioned	Dis-burse-ment	Loan Sanct-ioned	Dis-burse-ment	Loan Sanct-ioned	Dis-burse-ment
Southern Region	**498.7**	**460.18**	**865.14**	**779.79**	**751.51**	**672.77**	**701.84**	**639.9**	**925.02**	**852.21**	**1289.7**	**41157.73**
Andhra Pradesh	227.09	215.13	337.23	307.71	281.53	251.61	286.82	272.78	379.21	357.92	560.69	510.4
Karnataka	175.68	158.79	195.21	180.08	171.29	161.74	172.34	167.37	173.18	164.57	300.14	272.82
Kerala	95.93	86.26	86.91	73.14	89.29	73.87	64	56.72	126.77	114.27	175.87	148.17
Tamil Nadu			245.79	218.86	209.4	185.55	178.68	143.03	245.86	215.45	253.04	226.34
Western Region	**344.74**	**322.19**	**358.66**	**318.81**	**408.05**	**380.82**	**425.83**	**380.08**	**572.31**	**510.39**	**964.05**	**747.26**
Goa	6.85	6.85					8.93	8.7			19.09	8.97
Gujarat	151.08	145.47	127	114.34	153.74	134.86	114.92	91.08	222.03	178.31	505.79	400.28

Contd...

(Amount in Rs. Crore)

State	RIDF I		RIDF II		RIDF III		RIDF IV		RIDF V		RIDF VI	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
Maharashtra	186.81	169.87	231.66	204.47	254.31	245.96	301.98	280.3	350.28	332.08	439.17	338.01
Northern Region	**526.81**	**498.85**	**822.53**	**713.39**	**837.89**	**752.54**	**934.52**	**748.96**	**899.86**	**803.53**	**1088.91**	**997.7**
Haryana	26.7	19.33	63.92	62.16	67.33	62.41	53.46	47.85	90.09	80.21	67.03	59.97
Himachal Pradesh	14.23	14.23	52.96	52.83	51.12	49.43	87.81	78.92	110.36	106.23	128.41	125.44
Jammu and Kashmir	6.15	6.04			35.95	24.37	107.47	103.43	110.88	109.14	161.52	153.43
Punjab	60.5	60.5	62.5	62.05	88.85	84.77	96	74.76	102.79	91.28	230.48	196.31
Rajasthan	123.51	116.86	151.5	129.23	158.48	139.98	64.01	48.86	131.82	117.59	253.75	245.07
Uttar Pradesh	295.72	281.89	491.65	407.12	414.48	389.15	474.97	388.67	348.94	299.08	247.72	217.48
Uttranchal	-	-	-	-	21.68	2.43	50.8	6.47	4.98	-	-	-

Contd...

(Amount in Rs. Crore)												
State	**RIDF I**		**RIDF II**		**RIDF III**		**RIDF IV**		**RIDF V**		**RIDF VI**	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
Central Region	**240.88**	**215.03**	**250.3**	**238.67**	**280.41**	**262.05**	**241.96**	**217.96**	**262.96**	**241.64**	**371.66**	**293.52**
Chhattisgarh	82.22	77.91	9.8	5.64	57.07	57.99	68.6	65.39	34.1	31.11	50.86	42.83
Madhya Pradesh	158.66	137.12	240.5	233.03	223.34	204.06	173.36	152.57	228.86	210.53	320.8	250.69
Eastern Region	**286.18**	**256.52**	**306.95**	**285.85**	**432.83**	**362.51**	**482.13**	**392.34**	**448.33**	**355.62**	**520.09**	**425.7**
Bihar	22.17	12.63	-	-	57.96	26.93	-	-	-	-	-	-
Jharkhand	-	-	-	-	4.35	2.48	118.5	81.72	91.42	79.22	-	-
Orissa	169.5	162.05	151.13	141.03	199.98	172.04	149.89	117.16	134.62	95.4	106.86	81.47
West Bengal	94.51	81.84	155.82	144.82	170.54	161.06	213.74	193.46	222.29	181	413.23	344.23

Contd...

(Amount in Rs. Crore)

State	RIDF I		RIDF II		RIDF III		RIDF IV		RIDF V		RIDF VI	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
North-Eastern Region	**8.9**	**8.1**	**63.29**	**61.44**	**23.13**	**22.81**	**117.04**	**102.76**	**368.68**	**269.27**	**290.91**	**228.92**
Arunachal Pradesh	-	-	-	-	-	-	-	-	25.1	21.9	102.55	90.06
Assam	-	-	63.29	61.44	16.07	15.75	64.72	51.6	185.77	117.49	49.57	44.61
Manipur	1.75	0.96	-	-	-	-	-	-	-	-	8.33	7.9
Meghalaya	3.39	3.39	-	-	7.06	7.06	9.33	9.26	35.1	30.82	30.49	27.99
Mizoram	2.38	2.37	-	-	-	-	-	-	54.17	54.19	3.76	3.76
Nagaland	1.38	1.38	-	-	-	-	-	-	15.88	14.4	56.26	33.56
Tripura	-	-	-	-	-	-	21.7	21.27	43.94	21.74	35.4	16.5
Sikkim	-	-	-	-	-	-	21.29	20.63	8.72	8.73	4.55	4.54
India	**1906.21**	**1760.87**	**2666.87**	**2397.95**	**2733.82**	**2453.5**	**2903.32**	**2482**	**3477.16**	**3032.66**	**4525.36**	**3850.83**

Note: - Nil / Negligible.

Source: Reserve Bank of India.

(Amount in Rs. Crore)

State	RIDF VII		RIDF VIII		RIDF IX		RIDF X		RIDF XI		Total	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
Southern Region	**1393.35**	**1214.49**	**1722.71**	**1363.78**	**1802.09**	**1107.81**	**2869.37**	**967.96**	**2628.29**	**197.58**	**15447.8**	**9414.2**
Andhra Pradesh	611.71	548.91	907.76	703.08	864.96	495.38	1558.99	479.93	1367.57	124.23	7383.56	4267.08
Karnataka	236.77	207	230.77	175.89	295.54	191.02	416.32	118.47	450.95	3.11	2818.19	1800.86
Kerala	191.76	134.46	196.21	135.1	93.86	14.24	236.34	46.19	206.21	8.4	1563.15	890.82
Tamil Nadu	353.11	324.12	387.97	349.71	547.73	407.17	657.72	323.37	603.56	61.84	3682.86	2455.44
Western Region	**586.42**	**398.31**	**743.01**	**587.14**	**966.24**	**736.84**	**1570.18**	**603.71**	**1017.79**	**170.97**	**7957.28**	**5156.52**
Goa	15.79	9.91	16.1	10.29	-	-			-		66.76	44.72
Gujarat	40.9	20.72	283.82	262.63	899.21	692.28	1311.69	603.71	916.98	170.97	4727.16	2814.65
Maharashtra	529.73	367.68	443.09	314.22	67.03	44.56	258.49		100.81		3163.36	2297.15

Contd...

State	RIDF VII		RIDF VIII		RIDF IX		RIDF X		RIDF XI		Total	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
Northern Region	**1494.91**	**1286.96**	**1562.54**	**1270.73**	**1319.33**	**811.16**	**1807.88**	**839.19**	**2226.39**	**284.64**	**13521.6**	**9007.65**
Haryana	151.92	135.37	270.87	185.36	153.62	114.87	173.21	72.4	196.81	13.28	1314.96	853.21
Himachal Pradesh	168.43	167.98	169.6	136.74	142.3	72.49	91.64	30.36	224.75	19.91	1241.61	854.56
Jammu and Kashmir	216.8	193.39	175.64	138.81	153.82	69.28	49.36	7.19	79.55	5.02	1097.14	810.1
Punjab	231.52	200.8	206.55	183.8	288.18	178.95	312.63	161.52	286.85	54.27	1966.85	1349.01
Rajasthan	388.45	321.48	346.75	279.77	140.27	74.27	356.26	183.68	605.13	139.87	2719.93	1796.66
Uttar Pradesh	337.79	251.75	322.71	282.34	217.84	150.67	516.34	212.5	783.45	52.29	4451.61	2932.94
Uttranchal	-	16.19	70.42	63.91	223.3	150.63	308.44	171.54	49.85		729.47	411.17
Central Region	**395.64**	**304.27**	**856.53**	**579.93**	**709.33**	**389.71**	**596.04**	**226.38**	**560.08**	**52.53**	**4765.79**	**3021.69**
Chhattisgarh	84.59	66.34	281.3	193.71	432.88	238.27	62.53	9.16	116.84	6.07	1280.79	794.42
Madhya Pradesh	311.05	237.93	575.23	386.22	276.45	151.44	533.51	217.22	443.24	46.46	3485	2227.27
Eastern Region	**685.86**	**478.59**	**966.25**	**545.08**	**544.89**	**222.03**	**1368.31**	**299.52**	**1423.02**	**69.75**	**7464.84**	**3693.51**
Bihar	58.2	27.68	198.69	117.05	97.24	35.84	290.91	6.69	459.41	22.4	1184.58	249.22
Jharkhand	-	-	-	-	49.13	5	174.78	66.3	107.44		545.62	234.72

Contd...

(Amount in Rs. Crore)

State	RIDF VII		RIDF VIII		RIDF IX		RIDF X		RIDF XI		Total	
	Loan Sanct-ioned	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**	**Loan Sanct-ioned**	**Dis-burse-ment**
Orissa	153.25	121.09	246.83	161.58	185.11	112.36	375.66	65.95	396.95	0.39	2269.78	1230.52
West Bengal	474.41	329.82	520.73	266.45	213.41	68.83	526.96	160.58	459.22	46.96	3464.86	1979.05
North-Eastern Region	**101.47**	**74.2**	**158.32**	**93.68**	**257.3**	**119.93**	**77.97**	**31.05**	**658.76**	**31.61**	**2125.77**	**1043.77**
Arunachal Pradesh	69.41	47.81	-	-	15.12	4.71	20.14	7.09	136	7.98	368.32	179.55
Assam	-	-	76.23	43.28	189.75	74.63	13.77	2.95	402.44	14	1061.61	425.75
Manipur	-	-	-	-	-	-	0.53	0.09	27.59		38.2	8.95
Meghalaya	18.3	13.02	18.39	10.22	15.52	6.49			32.03	1.37	169.61	109.62
Mizoram	7.33	7.33	2	2	13.5	13.5	6.9	4.22	19.41	1.42	109.45	88.79
Nagaland	0.95	0.95	6.68	6.68	16.94	15.62	28.66	11.52	34.96	5.32	161.71	89.43
Tripura	-	-	50.13	26.67	3.17	1.73			-		154.34	87.91
Sikkim	5.48	5.09	4.89	4.83	3.3	3.25	7.97	5.18	6.33	1.52	62.53	53.77
All India	**4657.65**	**3756.82**	**6009.36**	**4440.34**	**5599.18**	**3387.48**	**8289.75**	**2967.81**	**8514.33**	**807.08**	**51283**	**31337.3**

Note: - Nil/Negligible
Source: Reserve Bank of India

Table A.2 Project Details and Benefits

Sr. No.	Particulars	RIDF-I	RIDF-II	RIDF-III	RIDF-IV	RIDF-V
1	Corpus	2000	2500	2500	3000	3500
2	States (No.)	21	17	21	24	25
3	No.of projects sanctioned	4168	8167	14346	6173	13272
4	No. of projects completed	3934	7567	13980	5169	9606
5	Sanction (Rs. crore) Out of that for PRIs/SHGs/NGOs	1910.54 -	2658.88 -	2717.71 -	2904.03 -	3504.41 608.53
6	Disbursements (Rs. crore)	1760.87	2397.95	2453.5	2367.03	2875.33
7	Anticipated Benefits					
	i) Creation of irrigation potential (million ha.)	2.08	0.62	0.78	0.52	0.98
	a) Recurring employment (no. of jobs)	661774	220697	159153	2347731	430445
	b) Non-recurring employment - irrigation sector (million mandays)	336.68	157.46	61.29	102.23	89.34
	c) Value of production (Rs. crore)	2597	931	748	693	1198
	ii) Rural road length (kilometers)	96	16619	18404	19286	19282
	iii) Bridges (meters)		24391	34304	40765	40929
	iv) Number of bridges	17	383	1381	755	756
	v) Non-recurring employment (million mandays) - other than irrigation	11.41	166.12	146.82	148.14	197.82

Table A.3 State-wise details of projects sanctioned under the RIDF (consolidated from Tranche I to X)

Rs Crore

Sr. No.	State	No. of Projs.	Potential+ Irri.	Bridges	Roads	Total Outlay	RIDF Loan	Govt. Contri	Value Prodn.+	Jobs Created +	Target (31/03/05)	Disburse-ment	% to Target
1	Andhra Pradesh	1294	154957	346	461	1245.26	868.20	77.75	354	46004	726.43	280.39	38.6
2	Arunachal Pradesh	3		115	45	18.90	15.12	3.78			9.07	4.53	49.9
3	Assam	118		6617		237.19	189.75	47.44			113.85	7.59	6.7
4	Bihar	31	193382			111.22	97.24	7.40	140	20321	52.34	18.44	35.2
5	Chattisgarh	1555	41926	13326	1916	560.39	432.88	57.90	59	4771	319.32	130.19	40.8
6	Gujarat	11904	173080			1089.65	899.21	190.44	76	93750	899.21	563.39	62.7
7	Haryana	122			700	186.72	153.62	33.11			97.95	74.70	76.3
8	Himachal Pradesh	187	3027	330	386	171.54	142.15	19.32	1	3263	87.02	45.89	52.7
9	Jammu & Kashmir	147	1584	81	984	192.11	153.82	38.02	1	9758	99.26	26.29	26.5
10	Jharkhand	1	3644			67.27	49.13	3.14	15	1521	29.48	5.00	17.0
11	Karnataka	915	29118	1328	2159	348.88	297.17	48.73	86	21446	200.64	103.42	51.5
	(Of which, PRIs)						0.52						
12	Kerala	119	3642	676	177	106.70	81.17	25.53	4	842	64.44	5.50	8.5
	(Of which, PRIs)						20.00						
13	Madhya Pradesh	136	35565	4172	183	327.63	277.46	45.14	83	27950	196.77	118.42	60.2
14	Maharashtra	269		1470	680	83.90	67.03	3.90			67.03	38.02	56.7
15	Meghalaya	17		356		18.21	15.52	2.69			10.00	2.01	20.1
16	Mizoram	2				22.32	13.50	3.49			11.46	9.58	83.6
17	Nagaland	121				30.34	16.94	13.40			10.16	10.27	101.1

Sr. No.	State	No. of Projs.	Potential+			Total Outlay	RIDF Loan	Govt. Contri	Value Prodn.+	Jobs Created +	Target (31/03/05)	Disburse-ment	% to Target
			Irri.	Bridges	Roads								
18	Orissa	364	73586	1573	344	343.54	185.11	113.63	112	16833	148.68	60.82	40.9
19	Punjab	720	88789	418	852	355.42	288.18	52.34	42	5733	191.47	131.23	68.5
20	Rajasthan	3	20162			161.33	140.27	21.06	53	4404	85.81	54.19	63.2
21	Sikkim	18			4	3.93	3.30	0.63			1.98	1.95	98.5
22	Tamil Nadu	1279	44234	1604	2251	650.59	547.73	89.83	55	214067	385.99	262.46	68.0
23	Tripura	1				3.50	3.17	0.33			1.90		0.0
24	Uttar Pradesh	45	302238			246.26	217.84	15.75	103	15567	138.15	62.96	45.6
25	Uttaranchal	139	5960	846	180	288.17	230.08	56.23	13	7479	176.94	79.72	45.1
26	West Bengal	115	4301	392	50	256.21	213.41	42.80	5	6892	166.10	50.67	30.5
	(Of which, PRIs)						22.68						
	TOTAL	**19625**	**1179195**	**33650**	**11372**	**7127.18**	**5599.00**	**1013.78**	**1202**	**500601**	**4291.45**	**2147.63**	**50.0**
	(Of which, PRIs)						**43.20**						

Note: Potential for Irrigation in ha, rural bridges in mtrs, roads in kms

+: Anticipated

Table A. 4 State –wise and Tranche –wise details of projects sanctioned under the RIDF (RIDF -I TO IX)
Position of disbursement as on March 2004

SL.NO	STATE	RIDF I			RIDF II			RIDF III			RIDF IV			RIDF V		
		POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+		
		IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROAD
1	ANDHRA PRADESH	96489			92096	567	864	60740	5329	1470	99978	1502	2068	26447	6655	1048
2	ARUNACHAL PRADESH														796	26
3	ASSAM					2210			692			2462		200000	1731	
4	BIHAR	78100						33891								
5	CHATTISGARH	63064			3953			18206	3722	499	25788	840	171	5765	2982	110
6	GOA	14366									1173	499				
7	GUJARAT	65408			13865		1250	15049		800	18041		422	5580		1845
8	HARYANA	81343			50365			150431	234	269	78790		310	99956		
9	HIMACHAL PRADESH	8010			5255		381	1186	152	408	2032	1373	663	6367	614	475
10	JAMMU & KASHMIR	4067					0	4860			3612	864	661	4441	159	949
11	JHARKHAND							2887			19439	75	20	9200	201	
12	KARNATAKA	59559			20550	6431	2349	635	4016	3751	5180	2928	3564	106	2034	2728
13	KERALA	35842			282203	2271		18738	2006	335	4038	2561	98	8712	2376	326
14	MADHYA PRADESH	128218			84861			28253	2274	1933	25990	2226	1572	30301	3601	1467
15	MAHARASHTRA	126760			99136				2385	2685	16916	5475	1864		4944	3538

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SL.NO	STATE	RIDF VI			RIDF VII			RIDF VIII			RIDF IX		
		POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+		
		IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS
1	ANDHRA PRADESH	303442	3561	996	75216	3331	1659	18513	4348	2442	154957	346	461
2	ARUNACHAL PRADESH		98	219			129					115	45
3	ASSAM		30	111					2489			6617	
4	BIHAR				17573	2518	10	71557	825	51	187622		
5	CHATTISGARH	12494	1151	37	9754	4036	531	49197	5546	1041	41926	13326	1916
6	GOA	615	155	126	1331	52	132						
7	GUJARAT	89022	4346	2915				14640			173080		
8	HARYANA	27090			273531	123			1157				700
9	HIMACHAL PRADESH	8812	2141	387	12610	1844	816	3543	3500	637	2591	330	386
10	JAMMU & KASHMIR	11217	1082	1026	10358	746	1011	46536	107	284	1584	81	984
11	JHARKHAND										3644		
12	KARNATAKA	10141	3665	3364	6679	2614	1413	14826	1683	2019	17050	1328	2159
13	KERALA	14504	2065	463	19553	3009	362	6490	2635	606	2110	676	177
14	MADHYA PRADESH	43061	2065	1331	39126	2369	683	126324	3902	22	35565	4172	183
15	MAHARASHTRA	36604	4053	2442	130162	3880	2050	45919	3349	2196		1470	680

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		RIDF I			RIDF II			RIDF III			RIDF IV			RIDF V		
SL.NO	STATE	POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+		
		IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROAD
16	MANIPUR	4580														
17	MEGHALAYA			96					243	51		645			301	182
18	MIZORAM	1305												705		130
19	NAGALAND	1432												2142	25	207
20	ORISSA	84584			17431	1918	154	49079	5017	171	30408	5074	70	11686	2761	75
21	PUNJAB	29185			30010			19200			40139	124	121		311	687
22	RAJASTHAN	85065			33966		1243	19838	1378	1022	26979	518	96	27601		1058
23	SIKKIM										1000	450	140			
24	TAMIL NADU				201	1355	4824		4300	1580		3738	1151	8439	4213	1950
25	TRIPURA											1293			2290	
26	UTTAR PRADESH	822898			104948	8232	5045	308876	1801	2201	72996	6728	5089	189183	3956	1929
27	UTTRANCHAL									420	1934	710	615	833		22
28	WEST BENGAL	293962			35771	1407	509	51497	755	832	48699	680	701	351143	979	520
	TOTAL	2084237		96	620611	24391	16619	783366	34304	18427	523132	40765	19396	988607	40929	19282

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SL.NO	STATE	RIDF VI			RIDF VII			RIDF VIII			RIDF IX		
		POTENTIAL+			POTENTIAL+			POTENTIAL+			POTENTIAL+		
		IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS	IRRI.	BRIDGES	ROADS
16	MANIPUR	7167											
17	MEGHALAYA	1756	355	121		263	61		507	25		356	
18	MIZORAM			209			227						
19	NAGALAND	180		445				1683					
20	ORISSA	113775	3366		21537	6501	116	25562	3839	673	4103	1573	344
21	PUNJAB	25268	2436	36	52140	218	711		692	577	88789	418	852
22	RAJASTHAN	11500		5002	95650		7462			9473	20162		
23	SIKKIM			40									
24	TAMIL NADU	8096	4840	1283	13091	2971	1071	5402	4185	1174	44234	1604	2251
25	TRIPURA	1950			18300				1583				
26	UTTAR PRADESH	20866	60	3059	86891	3993	2217	323882			302238		
27	UTTRANCHAL						3000	1835	402	5721	846	180	
28	WEST BENGAL	8520	1634	770	24875	2408	627	40296	1349	435	4301	392	50
	TOTAL	756080	37103	24173	883711	38468	20434	738788	37834	19180	1085376	33258	11318

Source: NABARD

Table A.5 Rural poverty rates (percent), 30 days recall, 1999-2000

State	Rate	State	Rate
Goa	1.35	West Bengal	31.85
Jammu & Kashmir	3.97	Madhya Pradesh	37.06
Punjab	6.35	Manipur	40.04
Himachal Pradesh	7.94	Meghalaya	40.04
Haryana	8.27	Mizoram	40.04
Kerala	9.38	Nagaland 5	40.04
Andhra Pradesh	11.05	Sikkim	40.04
Gujarat	13.17	Tripura	40.04
Rajasthan	13.74	Arunachal Pradesh	40.4
Karnataka	17.38	Assam	40.4
Tamil Nadu	20.55	Bihar	44.3
Maharashtra	23.72	Jharkhand	44.3
Uttar Pradesh	31.22	Orissa	48.01

Source: Jha (2002)

Table A.6 Percentage of villages yet to be connected by roads, 1996-97

Madhya Pradesh*	71.61	Maharashtra	29.23
Arunachal Pradesh	59.44	Assam	25.44
Himachal Pradesh	55.13	Sikkim	20.53
Meghalaya	54.67	Mizoram	16.69
Manipur	54.04	Andhra Pradesh	14.12
Bihar*	52.16	Nagaland	11.17
West Bengal	51.33	Gujarat	5.67
Orissa	50.86	Punjab	2.73
Uttar Pradesh*	49.59	Haryana	1.2
Tripura	49.07	Kerala	0.75
Tamil Nadu	48.82	Karnataka	0.38
Rajasthan	47.97	Goa	0.27
Jammu & Kashmir	34.19		

** Erstwhile, now two states.*

Source: Economic Intelligence Services, CMIE, 1997.

Table A.7 Agricultural and priority sector credit disbursed by commercial banks: All India

Year	Agricultural credit as percentage of total credit	Priority sector credit as % of total credit
1995	14.1	36.8
1996	14.3	37.8
1997	16.3	41.7
1998	15.7	41.8
1999	16.3	43.5
2002	15.3	43.5
2003	10.8	

Source: R B I